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UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

Before The Honorable Edward M. Chen

GUARDANT HEALTH, INC.,)	
)	
Plaintiff,)	
)	
VS.)	NO. 3:21-cv-4062 EMC
)	
NATERA, INC.,)	
)	
Defendant.)	
_____)	

San Francisco, California
Thursday, February 15, 2024

TRANSCRIPT OF PROCEEDINGS BY ZOOM WEBINAR

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UNITED STATES COURT REPORTERS

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Thursday - February 15, 2024

4:30 p.m.

P R O C E E D I N G S

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THE CLERK: A reminder to everyone observing: These proceedings are being recorded by this court. Any other recording of this proceeding, either by video, audio, including screen shots, or other copying of the hearing is strictly prohibited.

Calling civil action 21-4062, Guardant Health, Inc. versus Natera, Inc.

Counsel, please state your appearances for the record, beginning with the plaintiff.

MR. PERLOFF: Good evening or good afternoon, Your Honor. Saul Perloff on behalf of the plaintiff Guardant Health. With me from my firm is Chris LaVigne. And I'd like to introduce you to our newest team members Jennifer Keller and Chase Scolnick.

MS. KELLER: Good afternoon, Your Honor. Jennifer Keller also on behalf of Guardant.

THE COURT: All right. Thank you. Good afternoon.

MR. SCOLNICK: And good afternoon, Your Honor. Chase Scolnick, also on behalf of Guardant.

THE COURT: All right. Thank you.

MS. MAROULIS: Good afternoon, your Honor. Victoria Maroulis with Quinn, Emanuel for Natera. And with me are my

1 partners Brian Cannon, Ryan Landes, and Margaret Shyr.

2 **THE COURT:** All right. Good afternoon, Ms. Maroulis,
3 and everybody else.

4 So I thought we should talk as a group here and figure out
5 what we're going to do. It seems to me that this recently I
6 won't say published study, but this revelation of the results
7 of the COBRA trial seemed pretty relevant. I don't know how
8 much weight to be giving it, and there's a lot to be explored,
9 it appears.

10 But it seems to me that given the nature of this case, I
11 have a hard time seeing how we could just ignore this thing and
12 pretend it didn't happen. And if that's the case, is there a
13 way -- there's obviously some discovery that would need to be
14 done. There's several expert reports. Is it reasonable to
15 expect that all to happen in light of the February 26th
16 pretrial conference and the March 11th start date in this case.

17 So I want to hear I think first from Guardant. I see what
18 Natera wants to do, and they've got an expert now opining on
19 this. But Guardant's response is that, well, we've got an
20 interview -- or I don't know if you want to depose the authors
21 of the study, file a counter expert report or what.

22 Maybe I can hear from Guardant what they feel they need to
23 do in order to respond and prepare, assuming this study is
24 going to be admitted or at least discussed at trial.

25 **MR. PERLOFF:** Yes, Your Honor. Look, let's take stock

1 where we are. We are less than four weeks from trial, and
2 having this door open would require us to take significant
3 discovery from, as you suggested, the study sponsor from the
4 principal investigators who did not want the study closed -
5 perhaps from Dr. Parikh whose opinion he -- Dr. Hochster
6 purports. Plus, if you look in his report, he's making
7 comparisons to other data that we would need to take discovery
8 on.

9 After all of that discovery were taken, we would need to
10 prepare our own rebuttal expert report, do a *Daubert* motion
11 probably almost certainly, and we just wouldn't have time to do
12 it. If the Court knows how long it took just to discover the
13 one, you know, Harvard Parikh study that's at issue in this
14 lawsuit.

15 But I really do want to, if I may, push back on the idea
16 that it's relevant, because certainly the tone and tenor of
17 their argument that this is the most significant thing that has
18 happened might lead one to believe that. But let me attempt to
19 correct the record if I can.

20 The COBRA study had to do with clearance rates, so in --
21 specifically you had patients with very low risk of recurrence
22 who -- some of whom were put on chemotherapy and some of who
23 weren't. The Reveal test was used to determine whether or not
24 they had ctDNA. The reason for the closure was because the 16
25 patients they looked at, they didn't see the clearance rates

1 that they thought they would on the two arms: The people who
2 got chemo and those that didn't.

3 If you look at his report, and actually at the data that
4 he shows, it does not have anything to do with sensitivity,
5 specificity, PPV, NPV, pre-surgical sensitivity, lead time,
6 failure rates, turnaround time - none of those things are
7 addressed at all, because that's not what the study was
8 designed to do, and, more importantly, they didn't collect any
9 of the recurrence data.

10 So to the extent they're trying to make this fit into one
11 of their arguments in the case, for example, that specificity
12 is exaggerated, it can't tell you anything about specificity
13 because nobody knows what happened to these patients.

14 There are certainly some very interesting questions raised
15 by the study about why, for example, did -- you know, were the
16 blood samples drawn during chemo instead of after; why were the
17 principal investigators ignored, things like that. But those
18 don't have anything to do with the remaining issues in this
19 case.

20 So especially given where we are, it doesn't seem fair to
21 put Guardant to this Hobson's choice of either getting to
22 finally have its day in court or to properly and fully address
23 this ambush, quite frankly.

24 And just to put it in context, COBRA is not the only study
25 that has reported data since the close of discovery in this

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1 case 18 months ago. There are other studies that he doesn't
2 address. And of course the whole point of discovery cutoffs is
3 at some point in time you've got to say when. And this Court
4 and the parties said *when* 18 months ago.

5 And, you know, to constantly refresh or bring up new
6 studies, because there are favorable studies, things that were
7 in his original report that he doesn't address due to new data,
8 we would be -- it would be a never-ending process.

9 So with due respect, the sound bites from his report and
10 from their papers might lead you to think it has something to
11 do with sensitivity, specificity or the issues that are in this
12 suit, but it doesn't, and that's why the data they actually
13 show you don't say those words, ever.

14 **MR. CANNON:** Your Honor, may I respond to that -- or,
15 sorry. Go ahead.

16 **THE COURT:** You will, but I'm asking, it may not
17 answer everything, and there may be shortcomings, and there may
18 be some limited, limitations to its relevance. On the other
19 hand, if you're suggesting it's not relevant and not
20 significant, I guess I'm going to hear the other side. But
21 that seems to me a hard position to take here.

22 **MR. PERLOFF:** There's no doubt, Your Honor, the
23 decision to close the trial was surprising, especially because
24 the principal investigators argued against it. But, again, it
25 does not -- it is not a reflection on the performance of the

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1 assay. It's not a testament to the performance of the assay.
2 And therein lies the problem, right? Because, again, if the --
3 this was a determination of whether or not the ctDNA could be
4 used to direct accelerated treatment for patients who
5 ordinarily wouldn't get it. And this analysis that they're
6 focused on was this very limited set of 16 patients, and they
7 received the results and made the decision not to move forward,
8 notwithstanding the recommendation of the principal
9 investigators.

10 **THE COURT:** Well, to say it had nothing to do with the
11 performance of the assay, I'm not sure I understand that. I
12 mean, isn't there -- doesn't that suggest the possibility of
13 false positives and false negatives here?

14 **MR. PERLOFF:** No. And I want to be clear, it
15 definitely shows that if you draw blood during chemotherapy --
16 as opposed to the time points that the test is designed for,
17 validated for, and advertised for, which would be after
18 surgery, after chemotherapy -- you're going to get aberrant
19 results, that version of the test.

20 Because during chemotherapy you have essentially an
21 explosion of dead cells in the bloodstream, right? Because, as
22 I'm sure everybody on this call knows, chemotherapy doesn't
23 just target the cancer cells; it targets all fast-growing
24 cells. And so you have just a ton of circulating DNA, both
25 from cancer and non-cancer.

1 And without a doubt it showed that if you draw blood
2 during that time period, as opposed to what the study was
3 designed, which was after chemo, you're not going to get the
4 results you think you should get.

5 But, again, to say that that has anything to do with the
6 advertising that the parties have focused on in this suit,
7 which had to do -- and you know these time points because
8 they've been discussed *ad nauseam*: Post-surgery, landmark,
9 surveillance. This wasn't testing that, and therein lies the
10 problem, and that's why it's brand new.

11 **THE COURT:** All right. Mr. Cannon.

12 **MR. CANNON:** Thank you, Your Honor.

13 So there's quite a bit to unpack there, but I want to
14 address the timing of this first, and that is that the clinical
15 trial was shut down last August, and Guardant has known this.
16 So there's no actual ambush going on here. The clinical trial
17 was shut down and the letters went out to the doctors in
18 August, and Dr. Hochster included that in paragraph 37 of his
19 supplemental report.

20 And Your Honor is absolutely correct about the relevance.
21 Shutting down a trial like this is a big deal. And the issue
22 is what Your Honor identified, which is the excessive rate of
23 false positives, and that is an issue, as Your Honor knows,
24 that's in the case. It was in Dr. Hochster's original report,
25 and it was the subject of a *Daubert* motion. And Your Honor in

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1 the *Daubert*, the *Daubert* order, you know, identified that,
2 look, the rate of false positives is an issue in this case, and
3 Dr. Hochster is allowed to testify about it.

4 So there's no surprise in terms of the subject matter.
5 And, in fact, the letter that was sent to the doctors in August
6 of 2023, it reads: Quote, the higher-than-expected false
7 positive rate resulted in the trial not passing the interim
8 analysis and, as such, the trial will be closed to accrual.

9 So, you know, this issue has been known to Guardant. It's
10 not an ambush. And as soon as the data was publicly
11 disseminated at the conference in January, Dr. Hochster
12 prepared a supplemental report. He attended the conference,
13 and his patients were participants. He encouraged his patients
14 to participate in the study. And we provided the supplemental
15 report to Guardant just as quickly as we could.

16 Your Honor had a good question at the beginning, which is
17 what's the prejudice, you know, how can -- what kind of
18 discovery needs to happen? And, you know, Mr. Perloff, it
19 sounds like his cross-examination is pretty much ready to go in
20 terms of the detailed technical questions that he had. We have
21 offered Dr. Hochster for a deposition, and, you know, to date
22 Guardant has not followed up, but I think all of these
23 questions have been addressed to Dr. Hochster at his deposition
24 and subsequently at cross-examination trial.

25 **THE COURT:** What about, though, examining Dr. Hochster

1 is one thing. Talking to the principal investigators and the
2 authors of the study to find out more, it seems to me that's,
3 you know, that's something that would be fair game, but that's
4 a third party. I don't know how hard it is, where these folks
5 are, how available they are, how cooperative they are, et
6 cetera, et cetera.

7 **MR. CANNON:** I understand that, Your Honor. I mean, I
8 do feel that sort of a desire to open up extraneous third-party
9 discovery is a little overstated. The data is the data. It
10 was shut down. We've got the letters from NRG Oncology, which
11 was supervising the clinical trial. That letter is in
12 Dr. Hochster's supplemental report.

13 So to the extent that this additional discovery is needed,
14 I'll say Guardant has known about this for quite some time, and
15 it's a little bit of a sort of an, oh, we've been surprised by
16 this when the final data came out in January, since it was the
17 Reveal product that was used in the trial for the last few
18 years. Guardant knew that, and Guardant knew that the trial
19 was shut down August of last year. So to say now, oh, now we
20 need to do all this discovery on this trial all of a sudden,
21 this clinical trial, I think that is an issue of somewhat of
22 Guardant's own making.

23 And we can provide Dr. Hochster, obviously. And Guardant
24 obviously has a lot of resources to investigate the technical
25 issues on its own, which it sounds like it already has done.

1 **THE COURT:** All right. Mr. Perloff.

2 **MR. PERLOFF:** Yeah, if I may. This idea that we're
3 not prejudiced because Guardant knew when the trial was closed,
4 we did know when the trial was closed. But because the trial
5 was not closed due to a reason that was in this lawsuit, we
6 certainly didn't expect that five months later or three,
7 whatever, how many months afterward, we'd get a supplemental
8 report.

9 The prejudice comes in part from Dr. Hochster waiting to
10 file the supplemental report.

11 And I want to just mention something --

12 **THE COURT:** Well, this is all triggered by the release
13 of the abstract which triggered the report. So I agree with
14 you, it's not necessarily fair to do, you know, to do an
15 investigation when you don't have the abstract. I don't want
16 to pin it on whether they delayed with Dr. Hochster. I don't
17 think that's a fruitful area.

18 I think the question, the practical question is, all
19 right, maybe you have a right or an interest in talking to the
20 investigators, the authors of this report. I don't know about
21 the sponsors, but, I mean, you know, you don't have a right to
22 cross-examine ever person who participated, but at least the
23 principal people to get to the bottom of what about, what the
24 explanation is, et cetera, et cetera.

25 How difficult would it be, did you make an effort to try

1 to contact any of the investigators in this report?

2 **MR. PERLOFF:** No, not since we've received their
3 report, no. But I do want to be clear, the reason we would
4 need to take the deposition -- you know, the deposition and
5 discovery of the sponsor NRG is -- and Mr. Cannon alluded to it
6 but cut off the beginning of the sentence -- the only thing
7 that came from the study that mentioned false positives, i.e.
8 specificity, came from that letter. And what it said, and he
9 cut off the beginning part, was we learned from the -- from
10 Guardant that it had excessive false positives. So Guardant
11 knows that it did not provide that information or say that.

12 So we need to know from NRG -- which apparently
13 Dr. Hochster has been in contact with during this case, we know
14 that from his deposition, he acknowledged that he was in
15 contact with them -- what communications went on, why did they
16 make this decision. Why did they put that language in there
17 when the principal investigator said that's not right? And so
18 at a bear minimum we would need to do that.

19 And then to the extent that he's drawing comparisons, do
20 other studies with different patient populations that we're
21 looking at things differently, different draws, if he's really
22 going to do that we would need to look at those as well.

23 In other words, we would need to have a completely full
24 and fair opportunity to defend ourselves. Because this really
25 is the way that they're reporting it, they want to make it the

1 new centerpiece of their case.

2 **THE COURT:** Right. And you will have a -- they're
3 saying that they're making Dr. Hochster available, and he
4 should be subject to further examination. He's filed a
5 supplemental report, and you can respond to that. You can
6 respond with your rebuttal report. I mean, all that seems
7 doable.

8 The only thing that's not directly within your control is
9 access necessarily to the authors, the investigators, perhaps
10 the sponsor of the COBRA study.

11 **MR. PERLOFF:** Right. I mean, I think that's right. I
12 mean, if the Court considers how long the parties spent looking
13 at just, for example, the Parikh study, which is at issue in
14 this lawsuit, it took almost a year if not a year to conduct
15 discovery to get the investigators, to get the authors. And
16 here, you know, we'd be starting from scratch with a little
17 more than three and a half weeks until trial. It could not be
18 done.

19 Even, honestly, it would be -- we would want, and I think
20 deserve to have, the written discovery from these different
21 people before we cross-examine him at his deposition. And then
22 presumably they would want to take the deposition of our
23 counter expert, and based on whatever rebuttal report they
24 prepare.

25 And, again, I just -- the choice of having to either

1 forego a complete rebuttal of what we think is a hit job, and I
2 know they think it isn't, but in order for us to be able to
3 prove to you, for example, and the jury, Your Honor, that it
4 isn't what they say it is, we need substantial discovery. And
5 trying to get that all done while we're simultaneously
6 preparing for trial with the final pretrial conference, as you
7 correctly note, you know, 9 -- no, 11 days away, it's not
8 feasible.

9 **THE COURT:** Well, in your view, what is feasible? If
10 this is going to come in, what are you telling me how much time
11 you need?

12 **MR. PERLOFF:** I would love to be able to confer with
13 my team, but I would think it would take us three or four
14 months just to -- because of the third parties.

15 **MR. CANNON:** Your Honor, may I respond to that,
16 please?

17 **THE COURT:** Yeah.

18 **MR. CANNON:** The COBRA trial has already been subject
19 to discovery. Dr. Hochster was examined at his deposition
20 about the COBRA trial. It was mentioned in his original report
21 as an ongoing clinical trial, and he was examined in his
22 deposition about it. These letters went out from NRG Oncology
23 in August of last year.

24 So sort of the, I don't want to call it the complaint, but
25 sort of the request that, oh, we need this massive, massive

1 amount of discovery in a very short amount of time, I think
2 that rings hollow a little bit in terms of what discovery has
3 been done to date and Guardant's preexisting knowledge.

4 It actually sounds to me like Guardant knows more about
5 what the principal investigators have been doing than we
6 actually know, based on Mr. Perloff's statements. So there
7 probably has been communications there.

8 And I do feel, look, you could never have the perfect
9 amount of discovery leading up to trial. It's never going to
10 happen. But this was a big result that was disclosed in
11 January at the Health Conference, and it's a very, very
12 important part of sort of the world of facts the jury needs to
13 know about in order to evaluate the claims here.

14 **MR. PERLOFF:** If I may, there was no extensive
15 discovery taken on COBRA. What Dr. Hochster said about COBRA
16 in his original report is I'm not relying on COBRA, and what he
17 said at his deposition was I've enrolled some patients in
18 COBRA, and I'm in contact with NRG or the parent, the National
19 Cancer Institute, about COBRA. That's what he said. Nothing
20 about -- because the whole point was none of these facts were
21 at issue.

22 In the same way, when we cut off discovery, all of the
23 additional facts from other trials that have been positive that
24 actually, you know, report, for example, on sensitivity and
25 specificity in a positive way for us or in a negative way for

1 them, have not been the subject of supplements, and that's, I
2 think, what I'm fundamentally getting at.

3 I understand, you can't decide today, based on what you
4 have, whether who is telling you the truth about whether this
5 really is relevant to the issues or to the performance of the
6 test even writ large, or not. But if they're reopening
7 discovery on new data that has been generated since the close
8 of discovery, how could it be fair for us not to be able to,
9 for example, go into the other data from other studies
10 favorable to us, negative for them. And that's, I think, where
11 our biggest concern lies with trying to do it in a short period
12 of time, because there has been new data.

13 **THE COURT:** Well, let's say that we open the door.
14 You're suggesting opening the door to introduction, perhaps
15 reliance by your expert on other positive studies. How many
16 such studies have there been since the close?

17 **MR. PERLOFF:** Well, there's been additional data that
18 was generated, I know, on COSMOS and, hang on a second.

19 **MR. CANNON:** Only the COSMOS study is the one that
20 there has been some additional data, but that has also been
21 addressed in your dagwood order and in the earlier reports.

22 **MR. PERLOFF:** But by definition the new data hasn't,
23 because it wasn't in any reports, with all due respect.

24 There were additional data I think also on their trials in
25 GALAXY and BESPOKE. I'm not sure if PEGASUS has reported out

1 or Track B has reported out, but there are these other ones.
2 There was like a 2000 -- a study of the first 2000 commercial
3 samples, a Reveal that was reported out since the close of
4 discovery.

5 And all of these, if you're really trying to just instead
6 of focusing on the actual advertising statements but more
7 generally on the performance of these two tests, there's been a
8 lot because it's a research field, and it's a growing area.
9 But it's not just this one. And some of those were even
10 reported at the very same conference that Dr. Hochster was at
11 but, again, he doesn't talk about.

12 **THE COURT:** So if the door were opened to allow
13 supplemental expert reports, let's say on your side, to bring
14 in these other studies, I mean, through additional depositions
15 and additional reports why can't that be done in a fairly quick
16 period?

17 **MR. PERLOFF:** Well, I think just on that, just where
18 if we were just to do a new supplemental report, not a rebuttal
19 to theirs but just our own supplemental report, I'm sure we
20 could find and retain an expert maybe in the next, you know,
21 two or three weeks and put them under the gun to like write a
22 quick update report from our perspective of the latest data.
23 But, again, that still wouldn't give them a chance to take
24 discovery of that, and it doesn't really address our need to
25 rebut.

1 We need the discovery especially if he's relying on, for
2 example, the statement by the NRG, where did they get that
3 information when they don't report any specificity data, when
4 they don't report any false positive data.

5 So we would need to get to that bottom of that to fairly
6 address just the one study.

7 **MR. CANNON:** Your Honor --

8 **THE COURT:** Go ahead.

9 **MR. CANNON:** I was just going to say, you know,
10 there's a lot of lawyers involved in this case and a lot of
11 lawyers on the Guardant side, and a lot of this work could have
12 been done, you know, earlier on. So my point that, you know, I
13 feel like it's a problem of their own doing to squish it all
14 into the end here. And I really don't see this as being a big
15 open discovery.

16 As you pointed out at the beginning, Your Honor, what
17 happened in the COBRA trial is a big deal in this field. It
18 was terminated early. And the sponsor said it was because of
19 an excessive rate of false positives, which is an issue in this
20 case, and that is what Dr. Hochster, an oncologist who has
21 already passed *Daubert*, he testified in his deposition about
22 that. It's in his report. It passed *Daubert*. It's an issue
23 for trial. And I don't see -- and I know that Guardant wants
24 to keep that out of this trial, but I don't think by saying we
25 need all of this discovery is a valid reason to keep it out.

1 All the lawyers are working hard. We can keep working
2 hard. And we will put Dr. Hochster up for deposition. They
3 can seek the discovery that they want.

4 Natera does not feel like it needs really much extra
5 discovery, so we are prepared to go to trial as scheduled.

6 But this is a significant development in the field and
7 should be an issue for trial. And Your Honor is going to put
8 us on a clock for trial, so we have a limited number of minutes
9 to cover a lot of issues, and this is an important issue for
10 Dr. Hochster.

11 **MR. PERLOFF:** We're already --

12 **THE COURT:** What information do you have about the
13 whereabouts and availability of the principal investigators,
14 authors of the COBRA trial? Do you have any information,
15 Mr. Cannon?

16 **MR. CANNON:** No, I have no information other than
17 what's in Dr. Hochster's report. He received the letter from
18 NRG Oncology because he's a doctor and he has patients involved
19 in it. That's in his report. I believe Guardant has that
20 information as well. But I have no insight into the
21 investigators beyond what's in Dr. Hochster's report.

22 **THE COURT:** Well, it does seem to me that if this --
23 and I'm still of the view that this is relevant evidence that I
24 think should not be excluded at trial. I think the question is
25 what -- what needs to be done in order to get -- to give

1 Guardant a fair chance to cross-examine or deal with this
2 evidence.

3 And I do think, in addition to the deposition of your
4 expert, filing a counter expert or a rebuttal report, maybe
5 with or without some of the new studies, is a matter of sort of
6 equity here.

7 I think the big issue is what the availability is to the
8 extent of some limited discovery that might be sought,
9 especially since there's not a published paper. We have an
10 abstract and a presentation. We don't have a peer-reviewed
11 published journal that has all the data with tables and
12 everything else. So it seems to me that's required.

13 But I'm working a little bit in the dark here, because I
14 don't know where these folks are, who might be done and how
15 quickly they can be made available. And so I'm inclined to
16 have the parties do some very quick investigation to find out
17 where these folks are, what the availability is.

18 Is there a way that they can be made available, one or
19 more of whatever, you know, may be needed. At least enough so
20 that there's a fair amount of investigation, cross-examination
21 that can be done, whether that can be accomplished in a very
22 short period of time or what.

23 And so I'm inclined to direct the parties, and I think
24 both can make that inquiry about, you know, where folks are,
25 whether they are amenable to cooperation and would be subject

1 to some discovery, deposition, and report back so I have a
2 better sense as to what the situation is.

3 **MR. CANNON:** That makes sense to us, Your Honor.

4 **MR. PERLOFF:** And I agree that we should do that. I
5 do think, though, that the goal here would be to be a, you
6 know, full and fair amount of discovery, not, you know, the
7 bear minimum that Natera would want us to have, but enough that
8 it's fair for us to be able to rebut this new issue that is
9 being introduced in the case.

10 And I'm not suggesting that that necessarily means it has
11 to be forever, but I don't think the goal should be just the
12 bear minimum. It needs to be what we need to defend ourselves.
13 We're not going to embellish it for that, but I do think it
14 needs to be full and fair.

15 **THE COURT:** Well, what I would want is for you, both
16 sides report back to me in terms of who is available, what you
17 think is needed, what each of you think is needed to be fair
18 about it. And I suspect there may be a difference here in
19 terms of scope, but I'd like to find out that information.

20 It seems to me that the other, even though it's a rush
21 matter, but now that you've got something in a report and to
22 prepare a counter, you know, if you want to bring a quick
23 *Daubert* motion, I mean, that probably can be done in fairly
24 short order. It's not ideal, but I think the unknown is the
25 third-party stuff, which I think, given the nature of this

1 abstract and the limited information that we have, I think --
2 and given potential importance of this information, I think it
3 is something that should be reasonably explored in discovery.

4 So what I'd like to do is set a time when we can get back
5 together in short order and you can report back to me what you
6 have found. I'm going to suggest sometime next week, perhaps
7 by Wednesday. We can do a quick conference call or another
8 status here perhaps in the morning.

9 **MR. CANNON:** Works for me, Your Honor.

10 **MR. PERLOFF:** That will work for us. We'll make it
11 work for us.

12 **THE COURT:** All right. Why don't we say 10:00 o'clock
13 on the 21st. And at that point I will obviously have to decide
14 what we're going to do schedule-wise.

15 Let me ask, in terms of if -- and it's a big "if" -- I do
16 decide that some postponement is warranted, are there -- you
17 may not look at your calendars, but mine is fairly impacted,
18 whether there are dates that you know that conflict with other
19 trial obligations for lead counsel.

20 **MS. MAROULIS:** Your Honor, I may need to consult with
21 Mr. Johnson, my co-lead counsel. If we may report that back to
22 you on the same Wednesday hearing, that would be great, or
23 earlier, but I don't have access to his calendar right at this
24 moment.

25 **THE COURT:** All right. Well, we can discuss that,

1 too. Because if I do decide to continue this for a bit, I
2 still consider this our priority case, because there's
3 injunctive relief, it's ongoing competition here. I will
4 want -- I would want to set a date certain. So make sure you
5 have your trial calendars ready.

6 **MR. CANNON:** Understood.

7 **MS. MAROULIS:** Will do, Your Honor. Thank you.

8 **THE COURT:** All right. And finally, of course, I have
9 to ask the question: Are there any ongoing discussions between
10 the principals, any glimmer there?

11 **MS. MAROULIS:** Your Honor, there are some
12 business-to-business discussions. There was a call last week,
13 and Natera is always negotiating in good faith and is willing
14 to entertain any reasonable proposals.

15 **MR. PERLOFF:** Yeah, my understanding was they flamed
16 out, but that, of course, never precludes additional
17 conversations. But there wasn't the kind of progress that you
18 would want to hear about, let's put it that way, Your Honor.

19 **THE COURT:** All right. And there is no thought about
20 bringing in a third-party neutral to facilitate things that
21 would be helpful?

22 **MR. PERLOFF:** I don't think so, Your Honor. We, you
23 know, we had Judge Lang Phillips, and then we had somebody from
24 the courts that system, you know, and both tried, and, you
25 know, did a wonderful attempt, but that didn't work.

PROCEEDINGS

1 **THE COURT:** Okay. Well, all right. If your
2 principals change their mind and they're interested, for
3 instance, in an emergency settlement conference, for instance,
4 with a magistrate judge, I can try to pull a couple strings in
5 that direction. So I leave that with you.

6 **MS. MAROULIS:** Thank you, Your Honor. Understood.

7 **MR. PERLOFF:** Good to know.

8 **THE COURT:** All right. Talk to you on Wednesday.

9 **MR. PERLOFF:** Thank you, Your Honor.

10 **THE COURT:** Thank you.

11 (Proceedings adjourned at 5:07 p.m.)
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CERTIFICATE OF REPORTER

I certify that the foregoing is a correct transcript
from the record of proceedings in the above-entitled matter.

Dated: February 16, 2024

A handwritten signature in cursive script, appearing to read "Rhonda L. Aquilina", is written over a horizontal line.

Rhonda L. Aquilina, CSR #9956, RMR, CRR, CRC
U.S. Court Reporter